

Amendment No. 1 to SB1539

**Cooper J
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 1539*

House Bill No. 914

by deleting Section 1 of the printed bill in its entirety and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 48-2-102, amended by adding the following language as a new numbered subdivision (1) and by renumbering the remaining subdivisions accordingly:

"Accredited investor" means accredited investor, as that term is defined in Rule 501 of Regulation D under the Securities Act of 1933 (17 C.F.R. § 230-501), as amended.

AND FURTHER AMEND by deleting Section 2 of the printed bill in its entirety and by substituting instead the following:

SECTION 2. Tennessee Code Annotated, Section 48-2-103(b), is amended by deleting subdivision (9) in its entirety and by substituting instead the following:

(9) Any transaction involving the issuance of a security:

In connection with a stock bonus plan requiring payment of no consideration other than services; or

In connection with a stock bonus, pension, profit sharing, savings, thrift, or retirement plan for employees or self-employed individuals qualified under § 401 of the Internal Revenue Code of 1954, as amended, or individual retirement accounts qualified under § 408 of the Internal Revenue Code of 1954, as amended; or

In connection with a transaction that meets the following requirements:

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The offering meets the requirements of Rule 701 of the Securities Act of 1933 (17 C.F.R. § 230.701), as amended;

The offering is exempt from the provisions of § 5 of the Securities Act of 1933, as amended;

The issuer files with the commissioner no later than fifteen (15) days after the first sale in this state a notice of transaction, on a form adopted by the commissioner, accompanied by a consent to service of process, and a non-refundable filing fee of five hundred dollars (\$500); and

No commission, discount, or other remuneration is paid or given in connection with any transaction in this state under this subsection unless paid or given to a broker-dealer or agent registered under this part;

provided that the issuance of any such security representing an interest in a collective investment fund shall be exempt only if such security is issued pursuant to a plan established and administered by a bank organized under the laws of the United States or any bank or trust company organized and supervised under the laws of any state of the United States or sponsored by any investment company registered under the Investment Company Act of 1940, as amended, or sponsored by any insurance company licensed to do business in this state;

AND FURTHER AMEND by adding the following language to the amendatory Section 48-2-103(b)(14)(A) in Section 3 of the printed bill:

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An issuer's belief under this subdivision shall be deemed reasonable if the issuer: obtains from such a person (i) a written certification certifying that the person has reviewed the definition of "accredited investor" in § 48-2-102(1), and certifying that such person meets the definition of "accredited investor" in § 48-2-102(1); (ii) obtains from such person such other information as the commissioner may by rule require; and (iii) maintains, for a period of not less than three (3) years from the date of sale, the written certification and other information required by the commissioner.

AND FURTHER AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION 4. Tennessee Code Annotated, Section 48-2-103(b)(6), is amended by deleting the language "subdivisions b(3) and (12)" from the first sentence of that subdivision and by substituting instead the language "subdivision b(3)".